



Connecticut Self Storage Association

The Voice of the Industry in Connecticut

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**TESTIMONY IN SUPPORT OF
SB-400, AN ACT ELIMINATING THE BUSINESS ENTITY TAX
BEFORE THE COMMERCE COMMITTEE
MARCH 6, 2008**

Dear Honorable Members of the Commerce Committee:

The Connecticut Self Storage Association (CTSSA) is a trade association of self storage facilities with 66 self storage facility owners representing one to ten or more facilities each. According to the national Self Storage Association, there are approximately 300 facilities in Connecticut. These facilities are located in nearly every legislative district with multiple facilities in the more densely populated areas of the state. On behalf of CTSSA's membership, I strongly urge you to support SB-400, An Act Eliminating the Business Entity Tax.

Self storage facilities are one many types of businesses directly impacted by this onerous tax. Many CTSSA member companies are in fact organized as Limited Liability Companies, Limited Liability Partnerships and S Corporations, and as such are subjected to this \$250 annual tax liability. This tax liability is on top of the numerous other taxes and fees that small businesses must pay in this state, including costs associated with state and local permits and licenses related to our business, sales taxes for goods and services, property taxes, personal income taxes, and rising energy costs.

In our industry, the impact of taxes and fees such as the business entity tax are felt by those who can least afford it, our customers, who are often renting storage space as a result of a hardships (military stationed overseas, between jobs, divorce, death of spouse or parent, etc.). In a state with taxes and fees considerably higher than others, this increased cost of doing business gets passed on to our customers through higher rents for space. Additionally, these are customers already subjected to paying an unfair sales tax on renting self storage space, even though no other rental commercial real property is subject to sales tax, (i.e. taxes are not imposed on the rental of an apartment or office space).

Eliminating the business entity tax will go a long way to start improving Connecticut's negative business climate. Small business owners and our customers will directly feel the positive impact of such a repeal.

CTSSA therefore urges lawmakers to support SB-400 and permanently repeal the business entity tax. Please contact us at (860) 228-3624 if you have any questions. We look forward to working with you on issues affecting our industry.

Respectively submitted on behalf of the CTSSA Board of Directors and Members,

Lorna M. Bolduc, CAE
Executive Director